

AMENDED IN ASSEMBLY APRIL 24, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2334

Introduced by Assembly Member Gray

February 21, 2014

An act to add and repeal Section 740.45 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2334, as amended, Gray. Electricity rates: economic development pilot program: former military bases.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the commission to authorize public utilities to engage in programs to encourage economic development, including rate discounts to industries or business entities whose facilities are, or will be located, within the boundaries of enterprise zones, economic incentive areas, or recycling market development zones.

This bill would require the commission to direct and supervise the implementation and administration, by electrical corporations, of an economic development pilot program to encourage new business activity at 3 former military bases. The bill would require an electrical corporation to administer the pilot program for 7 years following its implementation at each former base and would require that the pilot

program provide *discounted* rates for new business activity that are ~~discounted by 40% from the otherwise applicable tariff of the electrical corporation for the service territory in which the former military base is located.~~ *provided to eligible new and existing businesses and are consistent with discounts offered by economic development programs approved by the commission.* The bill would require an electrical corporation to annually report specified information relative to each pilot program site to the commission and require the commission to compile the information and report the results to the Legislature. These provisions would be repealed on January 1, 2024.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill are within the act and require action by the commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 740.45 is added to the Public Utilities
- 2 Code, immediately following Section 740.4, to read:
- 3 740.45. (a) The commission shall direct and supervise the
- 4 implementation and administration, by electrical corporations, of
- 5 an economic development pilot program to encourage new business
- 6 activity at three former military bases closed as a result of the base
- 7 realignment and closure process.
- 8 (b) The pilot program shall be administered by an electrical
- 9 corporation for seven years following its implementation at the
- 10 former military base.
- 11 (c) The pilot program shall include one former military base in
- 12 northern California, one former military base in central California,
- 13 and one former military base in southern California. The bases

1 shall be selected for participation in the pilot program based on
2 local economic need, including, but not limited to, higher
3 unemployment rates than the state average and median income
4 that is lower than the state average.

5 (d) The discount provided pursuant to the pilot program shall
6 ~~be 40 percent of the otherwise applicable tariff of the electrical~~
7 ~~corporation for the service territory in which the former military~~
8 ~~base is located.~~ *provided to eligible new and existing businesses*
9 *and shall be consistent with discounts offered by economic*
10 *development programs approved by the commission.*

11 (e) Each electrical corporation shall annually report to the
12 commission all of the following:

13 (1) The total amount of the annual discounts given at each pilot
14 program site.

15 (2) The number and types of *new* businesses created as a result
16 of the pilot program during the prior year at each site.

17 (3) The total number of jobs created *by new businesses* as a
18 result of the pilot program during the prior year at each site.

19 (4) The average salary and benefits of the jobs created *by new*
20 *businesses* as a result of the pilot program during the prior year at
21 each site.

22 (f) The commission shall annually compile the information and
23 report the results of the pilot program to the Legislature. The report
24 shall be submitted in compliance with Section 9795 of the
25 Government Code.

26 (g) This section shall remain in effect only until January 1, 2024,
27 and as of that date is repealed, unless a later enacted statute, that
28 is enacted before January 1, 2024, deletes or extends that date.

29 SEC. 2. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution because
31 the only costs that may be incurred by a local agency or school
32 district will be incurred because this act creates a new crime or
33 infraction, eliminates a crime or infraction, or changes the penalty
34 for a crime or infraction, within the meaning of Section 17556 of
35 the Government Code, or changes the definition of a crime within
36 the meaning of Section 6 of Article XIII B of the California
37 Constitution.

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